

ABSTRACT

A method of detection of fraud in a mortgage application: in a computer system, maintaining a database of sales prices of real properties in a geographic area where the property is located; obtaining a valuation history for
5 the property; obtaining historical sales data for similar properties in the geographic area; computing price ratios using these valuation histories; computing a distortion index based on the price ratios, the distortion index indicating the likelihood of a fraudulent valuation.